

ABSTRACT

A unit, such as a unit structured mandatory convertible security, is disclosed. The unit may have a stated amount. According to one embodiment, the unit may include a fixed income security and a forward purchase contract, which are separable. The fixed income security may have a principal amount, a maturity date and an interest rate. The forward purchase contract may obligate a holder of the forward purchase contract to purchase a quantity of equity securities from an issuer of the unit at a settlement price no later than a settlement date specified in the forward purchase contract. The quantity of equity securities to be purchased by the holder may be determined by dividing the stated amount of the unit by the market price of the equity securities at the date the unit is issued.